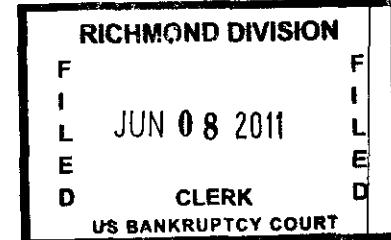


City of Mesa
Tax Audit & Collections
PO Box 1466
Mesa, AZ 85211



City of Mesa

In re: } Case No. 08-35653 (KRH)
CIRCUIT CITY STORES, INC } Response to CLC Trust
 } filed by City of Mesa

CLC Trust has inquired about an internal transfer in the form of an offset which occurred in the amount of \$887.90. Also in question was the proof of claims that were filed on behalf of the City of Mesa. This is to clarify these issues for the court as well as CLC Trust.

1) The internal transfer which occurred in the form of an offset, was in accordance with the Mesa City Code and terms and conditions for the sales of utilities. These outline deposits which are eligible to become a refund which would then become property of the estate of the Debtor, and deposits which are not eligible for a refund which are subsequently not property of that estate. In accordance with Mesa City Code, it was deemed the deposit was not eligible to be refunded and therefore not property of the estate of the Debtor.

Mesa City Code Sec 1-32-100. Singularity of Debt; Set Off

A DEBT OWED BY A PERSON TO ANY CITY DEPARTMENT OR AREA OF OPERATION SHALL BE SUBJECT TO SET-OFF AGAINST ANY CREDIT, REFUND, DEPOSIT OR PAYMENT TOWING TO SUCH PERSON BY THE SAME OR ANY OTHER CITY DEPARTMENT OR AREA OF OPERATION.

2. The original claim of \$8,157.38 is the direct result of unpaid tax for the November 2008 return under license M68351. The second claim that the City filed in the amount of \$331.73 was an original claim under a separate distinct license #210332. This also is the direct result of unpaid tax for the November 2008 return for a distinctly separate location. No penalties or interest are included in these claims. These claims are true and correct.

Dated May 31, 2011



Chad Kamp
Sr. Revenue Collections Officer

Copy of the foregoing mailed

This 31st day of May, 2011 to:

Circuit City Claims Processing
c/o Kurtzman Carson Consultants
2335 Alaska Ave
El Segundo, CA 90245